Distr.
GENERAL

GC.5/22
28 September 1993

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

GENERAL CONFERENCE

Fifth session
Yaoundé, 6-10 December 1993
Item 13 (c)(i) of the provisional agenda

PERSONNEL MATTERS: UNITED NATIONS JOINT STAFF PENSION FUND

Issues related to the pension system

Report by the Director-General

I. REPRESENTATION OF THE UNIDO GOVERNING BODY ON THE UNIDO STAFF PENSION COMMITTEE

1. The UNIDO Staff Pension Committee, established by the General Conference (GC.1/Dec.37), held six meetings in 1992 and two meetings in the period January through August 1993.

2. The following representatives of the General Conference who, by decisions GC.4/Dec.23, IDB.10/Dec.18 and IDB.11/Dec.32 were elected for the biennium 1992-1993, presently hold office for a term ending 31 December 1993:

Members:	Mr. A. Q. Al-Eryani (Yemen)
	Mr. E. Zádor (Hungary)
Alternate members:	Mr. A. Aziria (Algeria)
	Mr. J.S. Kramer (Netherlands)

3. The General Conference at its fifth session will be called upon to elect two members and two alternate members as its representatives for the following two-year term of office ending 31 December 1995. The recommendations of the Board in that respect are contained in its decision IDB.11/Dec.32 (see para. 7 (b) below).

II. COMPREHENSIVE REVIEW OF THE PENSIONABLE REMUNERATION OF STAFF IN THE GENERAL SERVICE AND RELATED CATEGORIES

4. As reported to the Board in document IDB.10/28, the General Assembly in 1990 requested the International Civil Service Commission (ICSC), in full cooperation with the United Nations Joint Staff Pension Board (UNJSPB), to undertake a comprehensive review of the pensionable remuneration and consequent pensions of staff in the General Service and related categories. Having considered the respective annual reports of UNJSPB and ICSC, the General Assembly in its resolution 47/203, section III, requested the Commission, in close cooperation with UNJSPB, to finalize the comprehensive review in 1993 and to submit recommendations on all aspects of the methodology, including the effective date of implementation and transitional measures to protect acquired rights, to the General Assembly at its forty-eighth session. After considering the views of the Pension Board on the conclusions reached by the Commission at its March 1993 session, the Commission decided to recommend to the General Assembly that: 1/

(a) The income replacement approach using 66.25 per cent as the grossing-up factor of the net pensionable salary should be used to determine the pensionable remuneration for General Service staff. The revised procedure should be implemented on the occasion of the first adjustment of the salary scale on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale;

(b) Subsequent adjustments of pensionable remuneration, until the introduction of the common staff assessment scale, should be made on the basis of a 1-to-1 interim adjustment procedure; 2/

(c) As part of the comprehensive review in 1996 of the methodology to determine the pensionable remuneration and consequent pensions of staff in the Professional and higher categories, a procedure outlined by the Commission should be used to determine a common staff assessment scale with two separate sets of rates (single and dependent). The common staff assessment scale should be introduced in 1997 to determine the pensionable remuneration of the two categories of staff; in 1996 the Commission would recommend the modalities for the implementation of the common staff assessment scale including appropriate transitional measures, if needed.

1/ The following subparagraphs are an excerpt from document ICSC/38/CRP.4/Add.3, para. 56, the full text of which is available upon request.

2/ The 1-to-1 interim adjustment procedure would be a mechanism by which pensionable remuneration should be increased on the same date and by the same percentage as net salary, thus aligning the interim adjustment procedure for the pensionable remuneration of the General Service staff with that used for the Professional staff.

V.93-88853 6163E

Distr.: 4 October 1993

5. Pending further review of the issue of the non-pensionable component, the Commission decided to maintain the provisions currently applied at certain field duty stations.

6. The Pension Board recommended an amendment to the regulations of the United Nations Joint Staff Pension Fund to reflect the change in methodology, if so approved by the General Assembly. The revised methodology might also require an amendment to the UNIDO Staff Rules defining pensionable remuneration for which purpose the Pension Board has recommended a prototype text for the use of its member organizations. In accordance with Article XIII of the Staff Regulations, any such amendment would be reported by the Director-General to the Board and subsequently to the General Conference.

III. ACTION REQUIRED OF THE CONFERENCE

7. The Conference may wish to consider the adoption of the following draft decision:

"The General Conference:

"(a) Takes note of the information contained in the report by the Director-General on issues related to the pension system (GC.5/22), including the recommendations of the International Civil Service Commission to the General Assembly at its forty-eighth session;

"(b) Upon the recommendation of the Industrial Development Board contained in decision IDB.11/Dec.32, decides to elect the following two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 1994-1995:

Members: Mr. A. Aziria (Algeria)
Mr. J. Kramer (Netherlands)

Alternate members: Mr. J. Garcia Torres (Peru)
Mr. S. Szivós (Hungary)

"(c) Authorizes the Industrial Development Board to proceed with the election for any of the above-mentioned posts which might become vacant before the General Conference holds its sixth session."